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FM AMEMBASSY RANGOON  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 4571  
INFO RUCNASE/ASEAN MEMBER COLLECTIVE  
RUEHZL/EUROPEAN POLITICAL COLLECTIVE  
RUEHBJ/AMEMBASSY BEIJING 0867  
RUEHBY/AMEMBASSY CANBERRA 9642  
RUEHNE/AMEMBASSY NEW DELHI 3334  
RUEHOT/AMEMBASSY OTTAWA 0419  
RUEHUL/AMEMBASSY SEOUL 6737  
RUEHKO/AMEMBASSY TOKYO 4352  
RUEHWL/AMEMBASSY WELLINGTON 0534  
RUEHHK/AMCONSUL HONG KONG 3266

UNCLAS RANGOON 000678

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E.O. 12958: N/A

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SUBJECT: RESPONSE TO THE DEPARTMENT'S 212(F) ACTION REQUEST

REF: SECSTATE 80511

¶1. Summary: The Burmese pension system provides a negligible ongoing benefit that should not affect the consideration of a retired applicant who would have been subject to 212(f) review before retirement. Regarding retired applicants and 212(f) review, we recommend: 1) that retired senior civil servants be considered on a case-by-case basis; and 2) that retired senior military officers remain subject to review. We also recommend review of 212(f) eligibility for active managers of state-owned enterprises (SOE) since they generally receive insignificant benefits from the regime. End Summary.

¶2. Pensions are virtually negligible in making 212(f) determinations because pension amounts are so small. Retired Burmese civil servants and military officers of any rank receive no more than 3,000 kyat per month (approximately \$2.50 at the current market exchange rate) in official pension benefits. A retired civil servant of middle rank receives between 600 to 800 kyat in pensions per month, and a retired director or above receives up to 1,500 kyat per month. Military officers receive slightly higher pensions, with a retired Colonel or above receiving up to 3,000 kyat per month. Pensioners withdraw pensions annually because the amount is so meager and the process for claiming pensions long.

¶3. The significant benefits that some retirees may receive are: lucrative advisory positions in government-linked enterprises; leadership roles in government and mass member associations; and the ability to easily obtain licenses for importing, exporting, manufacturing, or purchasing valuable property. Such benefits would provide evidence of continued influence in government and military affairs. Retired senior military officers also benefit from the military apparatus long after retirement through access to hospitals, golf courses, schools, and housing reserved exclusively for military personnel.

¶4. Not all retired senior civilian officials played significant roles in impeding Burma's transition to democracy, but most retired senior military officers did. Accordingly, we propose that retired senior civilian officials and immediate family members be considered for 212(f) review on a case-by-case basis. However, senior military officials who retired after 1988, and their immediate family members, should be submitted for a 212(f) determination. When submitting the SAO, we will include for department review: a description of the applicant's rank and

influence while in office; retirement benefits from pensions, leadership roles, and business interests; and our recommendation on whether the applicant should be found ineligible under 212(f).

#### Managers in State Owned Enterprises

¶5. We also recommend the Department review the "manager or above in a state-owned enterprise" (SOE) criteria for 212(f) determination as specified in the reciprocity schedule. We believe this criteria is set too low. Most manager-level employees in SOEs earn modest salaries, and, at best, are members of Burma's middle class. Most managers in SOEs do not hold enough influence to exploit their positions for significant financial gain, and employees of SOEs have little influence on Burma's transition to democracy or government policies. Immediate family members (children) of managers of SOEs have jobs and incomes consistent with Rangoon's general population. We propose granting post discretion to determine whether a manager of an SOE and immediate family members should be submitted for 212(f) consideration by the Department.

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